

CONFIDENTIAL

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To: FBIS.

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1. FINAL EVENT IN BBC MS'S ANNIVERSARY CELEBRATIONS TAS LARGE PARTY HELD LAST EVENING AT BROADCASTING HOUSE AND ATTENDED BY PLENTIFUL SCATTERING OF BIG-WIGS. FOREMOST TOPIC OF CONVERSATION, AS WAS TO BE EXPECTED, WAS THREATENED CUTS. THERE WERE ABOUT AS MANY VIEWS AS THERE WERE GUESTS, BUT ONE AUTHORITATIVE COMMENT WAS PICKED UP. SIR MICHAEL PALLISER, PERMANENT UNDER SECRETARY OF STATE, FCO AND HEAD OF THE DIPLOMATIC SERVICE, STATED THAT "AS FAR AS THE CIVIL SERVICE WAS CONCERNED (MEANING THE FOREIGN OFFICE) THERE WAS NO INTENT TO INCLUDE THE MONITORING SERVICE IN THE CUTS."

2. THIS REMARK EMBOLDENED DAVID MOSS (ASSISTANT HEAD OF THE PERMANENT UNDER SECRETARY'S DEPARTMENT, FCO) WHOM WE SPENT SEVERAL HOURS EDUCATING EARLY LAST MONTH, TO MAKE SOME SUPPORTING NO ISES ABOUT THE GENERALLY RECOGNIZED VALUE OF MONITORING AND ANGLO-AMERICAN COOPERATION. PALLISER QUALIFIED HIS STATEMENT BY ADDING THAT "OF COURSE; IT'S UP TO THE MINISTERS TO MAKE THE FINAL DECISION," BUT RAE FEELS GREATLY ENCOURAGED BY THIS POSITIVE STATEMENT FROM LEADING CIVIL SERVANT INVOLVED IN DEBATE OVER CUTS.

3. RVW 20 SEP 85. CONFIDENTIAL

